

## Electric Reliability Update - March 16, 2018



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### FERC

**Grid Operators Submit Resiliency Comments to FERC** - March 9 - Each Regional Transmission Organization (RTO) and Independent System Operator (ISO) submitted comments in FERC Docket AD18-7 in response to FERC's request seeking information on how each market currently evaluates the resilience of its system. Commenters were asked to answer a variety of questions regarding the process by which an RTO/ISO identifies resiliency risks and what challenges to the resilience of the bulk power system each market faces. Comments for the following RTO/ISO's are available here: [PJM](#), [NYISO](#), [ISO-NE](#), [MISO](#), [SPP](#), [CAISO](#), and [ERCOT](#).

### NERC

#### **NERC and WECC Petition for Approval of Regional Reliability Standards:**

On March 8, 2018 NERC and the Western Electricity Coordinating Council (WECC) submitted to FERC a [joint petition](#) for the approval of proposed Regional Reliability Standard BAL-004-WECC-3 (Automatic Time Error Correction) which seeks to maintain Interconnection frequency and guarantees that Time Error Corrections and

Primary Inadvertent Interchange payback are effectively conducted to maintain the reliability of the Interconnection. The petition also requests approval of the Regional Reliability Standard's Implementation Plan, associated Violation Risk Factors and Violation Severity Levels, and the Retirement of existing regional Reliability Standard BAL-004-WECC-2.

NERC and WECC also submitted to FERC joint petitions for the retirement of Regional Reliability Standards [PRC-004-WECC-2](#) (Protection System and Remedial Action Scheme Misoperation) and [VAR-02-WECC-2](#) (Automatic Voltage Regulators) on March 9, 2018 and March 7, 2018 respectively. Other continent-wide Reliability Standards have since been developed making the requirements of these two regional Reliability Standards redundant and unnecessary for Western Interconnection reliability.

**NERC Submits Joint Petition on Transfer of SPP Registered Entities** - March 5 - NERC, the Midwest Reliability Organization (MRO), and the SERC Reliability Corporation (SERC) submitted to FERC a [joint petition](#) in connection with the dissolution of the Southwest Power Pool Regional Entity (SPP RE). The joint petition requests FERC approval of:

- The termination of the Amended and Restated Delegation Agreement (RDA) between NERC and SPP;
- The proposed transfers of SPP RE registered entities to MRO and SERC by July 1, 2018; and
- The amendments to RDAs between NERC and MRO and between NERC and SERC to reflect the changed geographic footprint resulting from the transfer.

NERC requests FERC to expedite the consideration of the petition and to shorten the comment period to no more than 14 days to allow a timely transition of registered entities from SPP RE to MRO and SERC with minimal disruption.

**\$2.7 Million Penalty Assessed for Violation of CIP-related Standards** - February 28 - After settlement negotiations between an Unidentified Registered Entity (URE) and WECC, the URE agreed to the assessed penalty of \$2,700,000, in addition to other remedies and actions to mitigate the instant violations and facilitate future compliance under the terms and conditions of the settlement. Specifically, WECC had determined that the URE had violated two NERC CIP Standards (Requirement 4 and Requirement 5 of CIP-003-3) which require registered entities to identify, classify and protect information associated with Critical Cyber Assets (CCAs) and manage access to protected formation related to CCAs. According to the [NERC filing](#), a third-party URE contractor had exceeded its authorized access by improperly copying certain URE data from URE's network to the contractor's network. Due to the contractor's failure to comply with the URE's information protection program, the URE CCA data was accessible online without the need to enter a user ID or password for a total of 70 days.

**NERC Submits Petition for Proposed Revisions to the Rules of Procedure** - February 27 - NERC submitted to FERC a [petition for approval](#) of proposed revisions to the NERC Rules of Procedure concerning the Consolidated Hearing Process to resolve contested noncompliance, mitigation plans, remedial action directives, penalties, and sanctions. Under the proposed revisions, the Hearing Body would be

composed of five members with a separate Hearing Officer to administer the proceedings. Two of the members of the Hearing Body will be appointed by the Regional Entity from the originating case, and two will be appointed by the NERC Board of Trustees Compliance Committee (BOTCC). With respect to a possible tie vote, the Hearing Body would appoint an additional member among NERC trustees not serving on the BOTCC. The proposed revisions also update terms to align with the NERC Glossary of Terms.

**NERC Comments on the FERC Cyber Security NOPR** - February 26 - NERC submitted comments on the FERC NOPR which proposed to direct NERC to revise the Critical Infrastructure Protection (“CIP”) Reliability Standards to broaden the reporting requirements for Cyber Security Incidents. The NORP proposes to direct NERC to expand the scope of mandatory reporting to include Cyber Security Incidents that compromise, or attempt to compromise, an entity’s operations. In its [comments](#), NERC states that it supports broadened reporting of Cyber Security Incidents to allow it to obtain and share additional information to improve the security and reliability of the bulk electric system. However, NERC requests that the Commission not direct NERC to develop modifications to the Reliability Standards; rather, NERC requests the flexibility to collect the data through alternative approaches, such as the data request process in Section 1600 of the ROP.

**NERC Penalty Activity** - February 28 - NERC filed with FERC a spreadsheet notice of penalty resolving 2 violations of 2 Reliability Standards totaling \$2,710,000 in penalties

## Regional Developments

**MRO Appoints New Interim President and CEO** - February 27 - The Midwest Reliability Organization (MRO) Board of Directors [appointed Sara Patrick as Interim President and CEO](#) taking the place of Dan Skaar. Ms. Patrick joined MRO in 2008 as Director Regulatory Affairs and Enforcement before being promoted to Vice President Enforcement and Regulatory Affairs. Most recently, she held the position of Vice President, Compliance Monitoring and Regulatory Affairs.

## Cybersecurity

**Impact Magazine profiles OE’s Cybersecurity for Energy Delivery Systems Program** - March 2 - A new [article](#) in the spring issue of the National Energy Technology Laboratory’s (NETL) Impact Magazine profiles the Office of Electricity Delivery and Energy Reliability’s (OE) Cybersecurity for Energy Delivery Systems (CEDS) Program. The article – *Developing Next-Generation Cybersecurity Technologies to Strengthen National Energy Infrastructure* – explains the vital importance of robust energy delivery systems that provide timely and accurate information to system operators and automated control over a large, dispersed network of energy delivery components. The article also discusses how the CEDS research partnerships successfully transition innovative cybersecurity capabilities from early-stage research to routine use and cites examples of such projects.

## Congress

## **Ukraine Cybersecurity Cooperation Act of 2018 Introduced in Senate -**

February 27 - In response to the December 2015 cyberattack on Ukraine's power grid, the U.S. assisted with the investigation and efforts to assess the vulnerability of Ukraine's infrastructure to cyber intrusion. As part of those efforts, this bill, titled "[Ukraine Cybersecurity Cooperation Act of 2018](#)," provides support and assistance to Ukraine as it builds its capacity and expands on cybersecurity information sharing. The bill also directs the Secretary of State to submit a report which details the efforts the U.S. is making to strengthen Ukraine's ability to prevent, mitigate, and respond to cyber incidents and new areas for potential collaboration with Ukraine.

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